



United States Department of the Interior

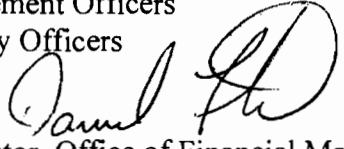
OFFICE OF THE ASSISTANT SECRETARY
POLICY, MANAGEMENT AND BUDGET
Washington, DC 20240




JUL -6 2005

Memorandum

To: Bureau Finance Officers
Bureau Procurement Officers
Bureau Property Officers

From: Daniel Fletcher 
Associate Director, Office of Financial Management

Debra Sonderman 
Director, Office of Acquisition and Property Management

Subject: Updated Inflation Factors – Future Lease Payment Disclosures

This memorandum is an update to the March 14, 2005, memorandum from the Associate Director, Office of Financial Management, and the Director, Office of Acquisition and Property Management, concerning future lease payment calculation guidance.

For both real and personal property, future operating lease payments should be calculated based on the terms of the lease or based on an OMB inflation factor when the lease is non-specific. Inflation factors should be applied against the current fiscal year's actual rental expense to determine the future payments.

Rates for FY 2006-2008 are as follows:

- FY 2006 - 1.5%
- FY 2007 - 2.4%
- FY 2008 - 2.4%

More information on inflation factors may be found at the following web site:
www.gsa.gov.

If you have questions regarding this guidance, please contact Charlene Hutchinson, PFM, on (202) 208-3964 or Charlene_Hutchinson@ios.doi.gov.